UNITED NATIONS

DP

Executive Board of the United Nations Development Programme and of the United Nations Population Fund

Distr.
GENERAL

DP/1998/17/Add.1 (Part II)*
8 April 1998

ORIGINAL: ENGLISH

Annual session 1998
8-19 June 1998, Geneva
Item 8 of the provisional agenda
UNDP

ANNUAL REPORT OF THE ADMINISTRATOR FOR 1997 AND RELATED MATTERS

Addendum

MAIN PROGRAMME RECORD

UNDP IN THE ARAB STATES

SUMMARY

The present document provides summary highlights of UNDP work in the Arab States region in 1997 and of future challenges that UNDP would like to bring to the Executive Board. The report builds on and complements the introduction to the annual report of the Administrator for 1997 (DP/1998/17) and the other addenda, particularly addenda 2 and 3.

* The main programme record for 1997 consists of five parts: Part I - UNDP in Africa; Part II - UNDP in the Arab States; Part III - UNDP in Asia and the Pacific; Part IV - UNDP in Europe and the Commonwealth of Independent States; and Part V - UNDP in Latin America and the Caribbean.

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I. INTRODUCTION

1. The Regional Bureau for Arab States oversees UNDP programmes in 18 Arab countries, which vary substantially in terms of economic performance and levels of human development: some are least developed countries (LDCs), some are middle-income countries, and some are net contributor countries (NCCs). Seventy-five per cent of the region's exports are oil and oil-related products, mainly concentrated in the NCCs while the LDCs base their economies on slow-growth sectors, mainly agriculture.

2. For the region as a whole, the 1990s have seen a stagnation in the rate of growth in per capita gross domestic product (GDP), a deterioration in the terms of trade that has reduced the region's share of world trade to 4 per cent and of global private investment flows to 3 per cent. Armed conflict and civil strife have contributed to low or negative GDP growth in several countries, especially in the LDCs.

3. Compared with 30 years ago, the quality of life has improved throughout the region. Life expectancy, literacy, school enrolment, access to health care and the availability of safe water and sanitation have doubled or tripled in the region as a whole. However, these averages mask sharp variations between countries - the human development indicators of the net contributor countries (NCCs) far exceed the regional average. The level of poverty in the region is estimated to affect about 34 per cent of the population with substantial variations at the country level.

4. With half of the population under 15 years of age, the region's labour force of 76 million has been growing at 3.3 per cent per annum. As a result, unemployment has risen to 15 per cent of the labour force, with urban and youth unemployment averaging as much as 30 per cent. Women are particularly vulnerable to poverty because of: (a) their unequal access, in some countries, to education and employment; (b) certain aspects of their legal status; and (c) their heavy domestic workloads, especially in rural areas.

II. HIGHLIGHTS OF 1997 ACHIEVEMENTS

A. Poverty eradication

5. Through a sequence of regional meetings representing a cross section of stakeholders in the region, UNDP in the Arab States continued the consultative process started in 1996 to define further and sharpen the focus of the organization's work in the countries where it operates. UNDP consensus-building and advocacy activities raised public awareness of governance and poverty as priority challenges for the region.

6. Special regional resources were allocated to enable programme countries to produce country-specific national human development reports, which have been important tools in raising awareness of the challenges facing countries of the region, especially the potentially negative effects of the globalizing world economy.

7. UNDP continued to build on the high-level policy dialogue on economic growth and social development that started at the 1996 regional meeting of experts on poverty alleviation and sustainable livelihoods. The dialogue culminated in:

(a) The launching of the document "Main Elements of a Strategy to Eradicate Poverty in the Arab States" in June 1997;

(b) In cooperation with the International Monetary Fund (IMF), the bringing together of ministers of finance and planning (also in June 1997) to discuss economic and human development in a ministerial symposium on sustainable growth in the Arab States.

8. As a result, UNDP was able to facilitate the identification of: (a) the key poverty and social development issues in the region and (b) how best to support programme countries in addressing these issues. The priorities thus identified were translated into operational action on the ground at both the regional and the country levels.

9. The first regional cooperation framework for the Arab States (1997-2001) incorporated the identified priorities. It summarized the overall regional goal as enhancing the environment for sustainable human development (SHD), especially in the area of poverty eradication. It translated action into specific SHD-oriented programmes that included, under the first thematic area, support to governance for social development; support to regional food security; and building the capacity of the region's workforce for the information-based economy. Under the second area of concentration, programmes that were either formulated or in the process of being finalized for approval include support to social and economic reform and multilateral economic cooperation and support to micro-finance and to sustainable provision and use of energy. Under the third thematic area of focus, programmes for the sustainable management of natural resources, with special focus on water are under formulation.

10. In many cases, allocations made available to countries from the Poverty Strategy Initiative (document DP/1998/17/Add.2 provides information) acted as a catalyst in securing other funds. In two countries, UNDP is assisting Governments to undertake the 20/20 analysis of public expenditures for SHD.

11. At the country level, elements of the regional poverty strategy were adapted to country-specific situations in almost all of the country cooperation frameworks (CCFs) approved. Fifteen CCFs for Arab countries, approved by the Executive Board in 1997, identified poverty and sustainable livelihoods as a major thematic area. Drafts of the remaining three CCFs, which are to be submitted to the Board in 1998, also reflect relevant aspects of the identified regional priorities.

12. In Yemen, UNDP is working at the advocacy and policy levels, assisting the Government to formulate its: (a) NHDR; (b) poverty alleviation action plan; (c) labour policy; and (d) data management system. In addition, the programme aims to strengthen the capacity of local authorities in planning and implementation. Downstream, the programme aims at the reintegration of the poor, through a housing scheme jointly financed with the United Nations Capital

Development Fund (UNCDF), and through the socio-economic development of the Socotra Archipelago in collaboration with a major environment component funded by the Global Environmental Facility (GEF). Special emphasis is placed on the integration of women through a micro-credit scheme.

13. In Jordan, the Micro-Credit Summit held in Washington in February 1997 generated wide interest. Through a multi-agency partnership of the World Bank/United States Agency for International Development (USAID)/European Union and United Nations specialized agencies headed by UNDP, Jordan initiated a major micro-finance programme. With UNDP serving as the secretariat and lead organizer, a national micro-finance conference was implemented that brought together over 100 key policy-makers and micro-finance practitioners to discuss how to improve and expand the use of micro-finance for poverty alleviation and entrepreneurship both through parastatal development institutions and non-governmental organizations (NGOs). The partnership was maintained after the conference and resulted in the formulation of a joint training programme for Jordanian micro-finance institutions to be implemented in 1998-1999.

14. In NCC countries, which enjoy high per capita income, UNDP succeeded through policy dialogue and advocacy to bring issues of poverty and equitable distribution of income to the forefront in 1997. In Bahrain, UNDP in cooperation with the Government established a national SHD network, including ministries and national agencies that are involved in the analysis of the social, cultural and economic aspects of SHD.

15. UNDP assisted the United Arab Emirates to initiate poverty eradication measures by conducting a poverty measurement and an evaluation aimed at improving its social assistance schemes. Under the same initiative, UNDP has also provided United Nations Volunteers to assist in vocational training, using government-sponsored, community-based centres. A mobile training centre has been created for the remote areas of the northern emirates to enhance employment opportunities for the poor.

16. In Morocco, UNDP - in collaboration with UNFPA - supported the application of the "National Sustainable Development Network" project (document DP/1998/17/Add.2 provides further details), targeting priority provinces.

17. Tunisia continued to supply technical cooperation, especially in Francophone countries, and is expected to expand this role through the Tunisian Agency for Technical Cooperation in close collaboration with the Special Unit for Technical Cooperation among Developing Countries (SU/TCDC) (document DP/1998/17/Add.3 gives details of SU/TCDC activities). UNDP in the Arab States will continue to support Tunisia's macroeconomic reforms, especially in SHD-related areas.

B. Governance and support to countries in special development situations

18. The first regional workshop on governance for social development was held in December 1997 in Beirut. It brought the policy dialogue and consensus-building process started by the Regional Bureau for the Arab States to a higher

level. A cross-section of decision makers and officials, representatives of civil society organizations, academia, etc. discussed the impact of good governance and required approaches in the context of social development.

19. UNDP country-based programming in the Arab States reflects specific country needs for support in governance areas such as: elections and/or capacity-building for electoral bodies; the judiciary; the parliamentary system; social programming and management; decentralization; public service reform, and audit and accountability functions.

20. Countries in special development situations in the region enjoyed extra support from UNDP Arab States in order to enable them to respond effectively and efficiently to the needs of the situation, using both special emergency resources as well as funding from target for resource assignment from the core (TRAC) line 1.1.3, UNDP provided Djibouti, Lebanon, Somalia, Sudan and Yemen with the necessary resources for the special programmes needed to meet the specific rehabilitation or emergency situation. Emergency funds were allocated to Djibouti, Somalia and Yemen to manage the effect of El Niño floods and torrential rains. TRAC 1.1.3 resources were allocated to support strategic planning in Somalia and Yemen; a civil protection and governance programme in Somalia; area rehabilitation, NGOs and female-headed households in Djibouti and socio-economic rehabilitation in Lebanon.

21. In Algeria, UNDP focused its support during the sixth country programme on four priority areas: employment promotion, support for socio-economic reforms, environmental protection and diversification of non-hydrocarbon exports. The mid-term review of the UNDP programme, which took place in October 1996, confirmed poverty alleviation, human resource development and environmental management as the strategic priorities for Algeria. The review also concluded that UNDP cooperation can also be used with advantage to support policy analysis, planning and coordination activities. The year 1997 was devoted to the completion of activities started under the sixth country programme and to the formulation of the first CCF (1998-2000).

22. In Djibouti, UNDP support in 1997 concentrated on supporting the Government's efforts to mobilize resources for its socio-economic programme through a round-table exercise. The round-table meeting was held in Geneva in May 1997 with representation from major contributor countries, Arab countries and Arab funds.

23. Lebanon, which is still tackling post-conflict challenges of rehabilitation and displacement, received UNDP support to start preparatory action for rehabilitation and reconstruction in the south of the country. The fully fledged rehabilitation programme is expected to start in 1998. Lebanon's NHDR for 1997 provided the basis for: (a) preparing a national programme for poverty alleviation; (b) developing a poverty alleviation action plan; (c) conducting a survey of national living standards; and (d) carrying out a poverty mapping study using the unsatisfied basic needs approach. Work on these initiatives will continue through 1998, using seed funding from the Poverty Strategy Initiative.

24. In Somalia, UNDP focused on governance and peace-building. Programmes in support of peace conferences and governance were initiated, including rehabilitation projects designed to bring harmony between conflicting groups. Assistance to regional seaports continued in 1997 to stimulate local economies. UNDP is also working with local leaders, encouraging them to cooperate in solving practical problems through working together in specific rehabilitation projects of shared community interest. A large programme for capacity-building of local NGOs used special resources from the UNDP global Partners for Development Programme. The Somalia Rural Rehabilitation Programme continued to be one of the factors contributing to the relative peace and stability prevailing in the northern regions of Somalia.

25. In Sudan, affected by civil conflict for a number of years, UNDP has initiated a pilot area rehabilitation scheme (ARS) in conflict areas, replicating the ongoing area development schemes (ADS) in the northern parts of the country. The main objective of the ARS is to improve and sustain self-sufficiency in food production for the population living in conflict areas, building on the experience gained and lessons learned in the ADS programme of the northern regions. The ARS programme is also built on a community-participation approach, which promotes people's determination of their own needs and priorities. The United Nations Children's Fund collaborates with UNDP on some of the components of the ARS.

26. In Sudan and Somalia, common issues affecting displaced populations and their reintegration and resettlement are being tackled through a subregional approach, in collaboration with regional institutions, such as the Intergovernmental Authority for Drought and Development.

27. In 1997, the Regional Bureau for Arab States and the Regional Bureau for Africa collaborated in the formulation of programmes in support of countries in special development situations in the Horn of Africa subregion, including Djibouti, Eritrea, Ethiopia, Kenya, Somalia, Sudan and Uganda. Funding is being provided either from TRAC 1.1.3 or from regional resources for the two priority areas of rehabilitation and resettlement of displaced populations and for food security. Capacity-building for IGAD is incorporated in these programmes.

C. Gender equality and the advancement of women

28. Gender equality and the mainstreaming of women in the development process is a theme in almost all UNDP-supported programmes in the region. This concern has been reflected in the CCFs, particularly in relation to poverty alleviation and micro-credit/micro-finance schemes.

29. At the regional level, the Centre for Arab Women's Training and Research (CAWTAR), which was established in 1993 with joint support from UNDP, the Arab Gulf Programme for United Nations Organizations, the Government of Tunisia, UNFPA, the International Planned Parenthood Federation and the European Union, continued to be the focal point for creating gender-advocacy capacity and networking among Arab countries on gender issues and for fostering dialogue in the region. CAWTAR was evaluated in 1997 to assess its ongoing activities and plan for the new phase, which is to start in 1998.

30. As an example at the country level, women in Sudan continued to benefit from the various activities under the ADS. Female-headed households were given priority in access to credit from the revolving funds of the ADS, to vegetable seeds, to training and to other enabling tools to raise their living standards in a sustainable manner. The lessons learned from the Sudan experience with the ADS are being replicated in other LDCs in the region.

D. Management issues

31. The national execution modality was increasingly used in 1997 to implement UNDP programmes in the region. Depending on the specific situation, and the feasibility of using national execution, various approaches were used to strengthen the capacities of national institutions for implementation. Programme countries used the services of the United Nations specialized agencies wherever appropriate to support them in the process.

32. The year 1997 also saw UNDP in the Arab States achieve a high rate of programme/project evaluation compliance and of delivery. There are indications that the early achievement of peak budget targets resulted in higher implementation rates and delivery in 1997. This trend is expected to continue in 1998.

III. KEY CHALLENGES AND PLANS FOR 1998

33. The region was much affected in 1997 by the uncertainty in the estimated levels of resources available for programming. Given the elaborate consultations undertaken by UNDP offices with national counterparts and development partners, the reduction in pledged resources was problematic. In some cases, new programmes could not be implemented or had to be delayed.

34. With the major shift to national execution as the implementation modality for UNDP programmes, there is a need to accelerate training for national authorities in applying this modality.

35. UNDP in the Arab States continues to support a group of countries in special development situations, arising from, inter alia, displaced populations, internal armed conflict and vulnerability to natural disasters. This range of special circumstances has diverted resources and efforts from the progress towards poverty eradication and SHD. The Expanded Consolidated Appeal process, implemented on a pilot basis in Somalia, is to be evaluated to assess its effectiveness in mobilizing the resources necessary for rehabilitation activities.

36. It may also be necessary to enhance the availability of resources at the corporate level to meet the increasing needs of countries in special development situations by undertaking resource mobilization to supplement TRAC 1.1.3 with non-core resources for rehabilitation purposes.

37. The setting-up of an electronic information system between headquarters and the country office of the region is expected to ease the labour-intensive

mechanisms used by the Bureau in 1997 to monitor progress towards targets. The setting-up of the a subregional resource facility (SURF) in 1998 is also expected to ease the burden on headquarters in terms of the conventional direct support to country offices and in capturing lessons learned.

38. The main challenge for 1998 is for UNDP in the Arab States to continue to consolidate and evaluate the various programmes started in 1997 and to implement its commitments under its first compact and the UNDP 2001 change objectives. Objectives include, but are not limited to, the following:

(a) Support countries in special development situations, in collaboration with other parts of UNDP;

(b) Continue to strengthen collaboration with activities of the Regional Bureau for Africa, especially in relation to the Horn of Africa initiative, TCDC activities, the Special Initiative for the Economic Development of Africa and the Tokyo International Conference on African Development (TICAD II) initiative of Japan (see document DP/1997/A/Add.1 (Part I));

(c) Give special attention to aligning capacities of staff, particularly national staff, to the needs for implementing UNDP 2001 and intensifying training based on assessment of needed capacities;

(d) Establish a pilot subregional facility in the region in Beirut, Lebanon (document DP/1998/CRP.8 provides details on the global hub/SURF system), and prepare to establish in 1998-1999 a second SURF, to service the NCCs, to be fully funded by non-core government contributions of the Gulf countries;

(e) Launch NHDRs in 16 countries, either for the first time or as updated versions;

(f) Assist three additional countries in the region to apply the 20/20 approach to public expenditures;

(g) Strengthen the UNDP constituency in the region and to improve its resource mobilization effort, targeting regional resources, to achieve a 3:1 ratio of non-core to core resources;

(h) Reduce country-office administrative costs by using extrabudgetary income earned on non-core resources and by increasing the level of payment of government contributions to local office costs;

(i) Strengthen UNDP partnerships and consolidating its constituency base in the region through advocacy, contacts and presence at important regional events as well as by using the regional programme strategically for this purpose. Several practical initiatives discussed during the regional cluster meeting of resident representatives of the Arab region in December 1997, will be initiated in 1998;

(j) Continue to strengthen partnerships with regional institutions, especially development organizations such as the Africa Development Bank and the Islamic Development Bank, as well as with Arab funds. Work was initiated in the

last quarter of 1997. It is expected that these efforts will result in concrete joint programmes for SHD in 1998;

(k) Strengthen the working relationship with the two regional commissions (ESCWA and ECA) and with the League of Arab States and the Organization of African Unity;

(l) Use the new compact management tool (see document DP/1998/17 for details) to measure: (a) progress towards achievement of objectives; (b) performance appraisal; and (c) accountability.